

Factsheet

Qld Associations Incorporation Act Amendment Act 2020 Status of Amendments

Amendments already in effect

Section/s	Intent	Practical issues	Special Notes
Section 6(2), 48(2)	<i>Clarifying adoption of model rules</i>	<p>Able to replace their own rules with the model rules or adopt the model rules via the passing of a special resolution at a general meeting.</p> <p>Adoption or replacement needs to be registered with the Office of Fair Trading (OFT) within three months of the special resolution being passed.</p>	If a CLC chooses to adopt the model rules, the CLC must draft a special resolution, pass it at a general meeting and notify the OFT
Section 56	<i>Technology for meetings</i>	Permitted to conduct general meetings via communication technologies like Zoom or Skype without the need for the use of such technologies to be specifically authorised under its rules.	CLC must ensure members who participate in meetings have access and working knowledge of these technologies (if they are to be used). The example of technology which may be used under this section as provided in the Act is 'teleconferencing'.
New section 89	<i>Voluntary administration</i>	Rather than applying to the Supreme Court for the appointment of a provisional liquidator, management committee has the power to voluntarily appoint an administrator to place their CLC into voluntary administration.	
New section 90	<i>Voluntary winding up</i>	May be wound up voluntarily if the incorporated association resolves to do so by special resolution.	Only available where CLC is solvent/has surplus assets.
New section 92	<i>Vesting of property on cancellation</i>	Following winding up or cancellation, the Queensland Government will be permitted to provide directions regarding how surplus assets, property and money are to be vested via gazette notices (rather than by passing a regulation).	

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New section 92A	<i>Voluntary cancellation</i>	Can apply to the OFT Chief Executive to cancel their incorporation, bypassing formal winding up procedures. An application can only be made if the association has no outstanding debts/liabilities, has paid all applicable fees and penalties under the Act, and is not a party to any legal proceedings.	

Amendments yet to commence

Section/s	Intent	Practical issues	Special Notes
Section 21	<i>Common seal</i>	Incorporated associations are no longer required to have a common seal.	A CLC must amend its rules if it wishes to stop using a common seal.
Section 28	<i>Executing contracts without seal</i>	Incorporated associations are no longer required to execute documents with a seal (they can do so if they choose to).	
New section 47A	<i>Internal grievances</i>	<ul style="list-style-type: none"> From 30 June 2022, incorporated associations may set out a grievance procedure in their rules for dealing with disputes between members, management committee or the association itself. The Act prescribes what the policy must cover (e.g., must involve a mediation and give each party fair opportunities). If prescribed provisions are not included in the association's rules, the model rules providing for a grievance policy will apply. 	CLC must draft a special resolution and organise a general meeting if it chooses to set out a grievance procedure in its rules.
New section 59	<i>Maintaining proper records</i>	Imposes a new obligation on management committee members to ensure the incorporated association keeps proper financial records.	
Section 66	<i>Secretary to be over 18</i>	Secretaries must be an 'adult' rather than an 'individual'.	CLC must amend its internal governance policies to ensure

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	<i>years old</i>		its secretary is at least 18 years old.
Section 72	<i>Resolving a dispute</i>	Incorporated associations cannot make an application to the Supreme Court to resolve a dispute under the association's rules unless the association or member has made reasonable attempts to resolve the dispute under the applicable grievance procedure.	
New div 2 and div 3, part 7	<i>Internal Governance</i>	<p>Duties of officers will be listed in the Act, rather than applying in accordance with common law requirements, including:</p> <ul style="list-style-type: none"> • disclosure of material personal interests; • disclosure of remuneration and other benefits; • duty of care and diligence; • duty of good faith; • use of position; • use of information; and • duty to prevent insolvent trading. 	<p>CLC must adopt practices to ensure compliance with higher levels of disclosure and may need to provide training to management committee on what must be disclosed.</p> <p>CLC must amend governance policies to reflect the listed duties and provide training to management committee on their obligations. For example, management committee must be aware of the CLC's financial position and always consider that position when making management decisions.</p>
Section 5, section 49(2), new regulation	<i>Reduction in duplicated annual reporting for charities</i>	The Act will provide that a regulation may exempt classes of associations from the requirement to provide annual financial reports to the OFT Chief Executive. The government intends to exempt associations that are registered as a charity the Australian Charities and NFP's Commission (ACNC). ¹	CLC should remove the requirement in governance policies to provide annual financial reports to the OFT Chief Executive.

¹ The government indicates this intention in the explanatory memorandum for the Associations Incorporation and Other Legislation Amendment Bill 2019 and on the information website here: <https://www.qld.gov.au/law/laws-regulated-industries-and-accountability/queensland-laws-and-regulations/associations-charities-and-non-for-profits/incorporated-associations/new-laws>